

**MINUTES OF THE
TRANSPORTATION, ENVIRONMENTAL QUALITY, NATIONAL GUARD
& VETERANS' AFFAIRS
APPROPRIATIONS SUBCOMMITTEE
Room 25, House Office Building, State Capitol Complex**

Monday, February 8, 2010

MEMBERS PRESENT: Sen. Kevin T. Van Tassell, Co-Chair
Rep. Wayne Harper, Co-Chair
Sen. Scott K. Jenkins
Sen. Peter C. Knudson
Sen. Mark B. Madsen
Sen. Luz Robles
Rep. Rebecca P. Edwards
Rep. Neil Hansen
Rep. Neal B. Hendrickson
Rep. Patrick Painter
Rep. F. Jay Seegmiller
Rep. Kenneth Sumsion

MEMBERS EXCUSED: Rep. Don L. Ipson

MEMBERS ABSENT: Rep. Carl Wimmer

STAFF PRESENT: Mark C. Bleazard, Fiscal Analyst
Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Rep. Harper called the meeting to order at 2:09 p.m.

MOTION: Rep. Hendrickson moved to approve the minutes of the meeting of Feb.3, 2010. The motion passed unanimously with Sen. Knudson, Sen. Robles, and Rep. Painter absent for the vote.

Department of Environmental Quality

The mission of the Department is to safeguard public health and quality of life by protecting and improving environmental quality while considering the benefits to public health, the impacts on economic development, property, wildlife, tourism, business, agriculture, forests, and other interests, and the costs to the public and to industry; strengthen local health departments' environmental programs; build consensus among the public, industry, and local governments in developing environmental protection goals; and appropriately balance the need for environmental protection with the need for economic and industrial development. The total base

budget recommendation for the DEQ line item for FY 2011 is \$96,504,600 divided as follows:

Executive Director's Office	\$ 5,369,900
Air Quality	11,303,700
Environmental Response and Remediation	8,513,100
Radiation Control	3,142,800
Water Quality	10,463,600
Drinking Water	4,635,900
Solid & Hazardous Waste	7,981,500
Water Quality Loan Program	25,875,000
Drinking Water Loan Program	19,437,500

The Air Quality Program attempts to meet the requirements of the National Ambient Air Quality Standards and National Emission Standards for Hazardous Air Pollutants at a 100% compliance standard. Recent revisions to the standards have resulted in Salt Lake, Davis, Weber, Box Elder, and Cache Counties having some violation this past year. All programs in the Division of Radiation Control were within statutory tolerances. The Division of Environmental Response and Remediation cleaned up a total of 4,045 underground Storage Tanks as of June 2009. In 2009 48 new sites were identified to be added to the 434 sites currently being cleaned up. In total 1,249 inspections were performed in FY 2009. Thirty-two projects on contaminated industrial sites were completed under the Utah Voluntary Cleanup Program.

During CY 2009 63,300 tons of hazardous wastes were properly disposed of; 2,266,213 tons of municipal solid wastes were disposed; and 129,308 tons of municipal waste were sent for incineration. During FY 2009 virtually all tires collected by tire retailers and industry were recycled amounting to 1.98 million tires or 33,000 tons. Used oil in the amount of 476,274 gallons was collected and recycled from do-it-yourself mechanics at statewide collection centers.

During the past year 72% of lakes and streams met water quality standards, and business and farms permitted to discharge water reached a 92% compliance rate in FY 2009. Also 99.84% of the state's population was provided water from public drinking water systems that met requirements of the Safe Drinking Water Act.

The following intent language is enacted for FY 2010 and is being followed:

Under terms of Section 63J-1-402-(3)(a) Utah Code Annotated, item 225 of Chapter 2 Laws of Utah 2008 is made non-lapsing with the use of any non-lapsing funds limited to the following: Air Quality Permit Program Fees \$102,600.

Under terms of Section 63J-1-402-(3)(a) Utah Code Annotated, item 225 of

Chapter 2 Laws of Utah 2008 is made non-lapsing with the use of any non-lapsing funds limited to the following: Water Quality Groundwater Permit Program Fees \$10,000. The Base Budget Bill FY 2011 reflecting the 98% ongoing Executive Appropriations Committee direction is in the amount of \$96,504,600. Of this amount \$10,700,800 is from the General Fund and \$42,236,800 is from Federal Funds. Additional funds come from various dedicated credits, fees, and loan accounts. The following are alternatives for budget changes to accomplish the subcommittee's 5% reduction target as directed by the EAC:

a) Memberships	34,500
b) IT Projects	74,700
c) Scientist/Engineer (Water Quality)	111,500
d) Switch Funding to Federal Grant	77,000
e) Reduce LHD Pass-through	29,900
f) Scientist/Engineer (Air Quality)	111,500
g) Scientist/Engineer (Environmental Response & Remediation	<u>106,900</u>
	546,000

Budgeted in this line item are 387 FTEs and 46 vehicles.

The Federal Funds Request Summary for State FY 2011 for DEQ appears as Appendix A. The DEQ Fees for FY 2011 are the same as FY 2010 except for a change in Water Quality Loan Origination Fee from 0.005 in FY 2010 to 0.01 in FY 2011 in order to have sufficient funds to run the program. The total fee schedule appears as Appendix B.

Amanda Smith, Executive Director of DEQ, introduced her staff and gave an overview of the Department's presentation. Theron Blatter, Branch Manager, Underground Storage Tank and Leaky UST, demonstrated a new Interactive Map which allows interested parties to have access to their data and cuts staff time required to respond to requests for information. The goal is to have information from all Divisions on-line. UDEQ ARRA funds were approximately \$40 million and were used to fund 24 projects across the State to help bring Utah wastewater and drinking water facilities into compliance with federal standards. Those funds created about 33.5 FTE jobs. Ken Bousfield, Director of the Division of Drinking Water, discussed the Drinking Water ARRA funded projects which will have long-term benefits to the communities such as waterline replacements and water storage tank and pipelines.

Director Smith discussed the problems associated with the Environmental Quality Restricted Account, a fee-based account which varies month to month, year to year. Over the fund history, disbursements have been made that have impacted the intent that excess revenues be reserved in the restricted account to meet departmental needs in years of projected shortages. In FY 2010 there is a considerable budget shortfall which the Department is intending to cover by carryover,

transfer of one-time monies, and one-time transfer of positions to different funding. Waste Fee Amendments legislation is intended to fix the funding problem from FY 2011 onward (this includes adjustments to disbursements and adjustments to solid, hazardous, and radioactive waste disposal fees). This legislation which is still in the process of development by working with the stakeholders is being sponsored by Rep. Menlove and Sen. Bramble. Brad Johnson, Deputy Director, DEQ, responded to questions concerning the proposed legislation and concerning surety requirements for the solid waste program for long-term care which are different from the perpetual care for radioactive waste. It was pointed out that the fees in question are statutory and are not in the fee schedule. The Department was asked to look at all of their fees and how much of their budget is fee related as opposed to General Fund.

Director Smith said that due to the impact of 2009/10 budget cuts which cause them to continue to lose personnel they are looking at their programs for ways to be more efficient and more transparent and maybe find areas which they can eliminate. At this point a 5% budget cut will result in more lost personnel which results in delayed permit times and response times in Air Quality and decreased testing in Water Quality. The Director responded that the position that could be eliminated least painfully is the Scientist/Engineer position in Environmental Response and Remediation.

MOTION: Rep. Hendrickson moved to adjourn. The motion passed with Sen. Jenkins, Sen. Knudson, and Rep. Sumsion absent for the vote.

Rep. Harper adjourned the meeting at 3:35 p.m.

Rep. Wayne Harper, Co-Chair

Sen. Kevin T. Van Tassell, Co-Chair